

Message Text

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ACTION EA-10

INFO OCT-01 EUR-12 ISO-00 SP-02 AID-05 EB-07 NSC-05 RSC-01

CIEP-01 TRSE-00 SS-15 STR-01 OMB-01 CEA-01 L-02

COME-00 IGA-01 CIAE-00 DODE-00 INR-07 NSAE-00 PA-01

USIA-06 PRS-01 XMB-02 /082 W
----- 090209

R 180200Z JAN 75

FM AMEMBASSY JAKARTA

TO SECSTATE WASHDC 6174

INFO AMEMBASSY BANGKOK

USEC BRUSSELS 196

AMEMBASSY KUALA LUMPUR

AMEMBASSY MANILA

AMEMBASSY SINGAPORE

AMEMBASSY TOKYO

AMCONSUL MEDAN

AMCONSUL SURABAA

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DEPT PASS EXIM AND STR

EO 11652: N/A

TAGS: ETRD PFOR ECIN ID ASEAN

SUBJ: US-INDONESIAN TRADE RELATIONS: AMBASSADOR'S

CALL ON TRADE MINISTER PRAWIRO

REF: A. JAKARTA 183 B. STATE 1804 C. JAKARTA 628

1. SUMMARY. AT REQUEST OF TRADE MINISTER RADUIS
PRAWIRO, ON JAN 17 I BRIEFED HIM ON US EXECUTIVE
BRANCH POSITION ON US TRADE ACT, AND INFORMED HIM OF
US WILLINGNESS TO MEET JOINTLY WITH ASEAN TO DISCUSS
TRADE MATTERS IF ASEAN MEMBERS DESIRE. RADUIS EXPRESSED
APPRECIATION FOR ADMINISTRATION INTENTIONS TO SEEK AMENDMENT
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OF OPEC EXCLUSION FROM GSP, AND DESCRIBED DESIRE OF

SOME INDONESIANS TO EXPLOIT TRADE ACT AS EVIDENCE OF NEGATIVE US INTENTIONS TOWARD INDONESIA. HE PARTICULARLY WELCOMED IDEA OF US-ASEAN CONSULTATIONS AND SAID HE WOULD COMMEND THIS TO HIS ASEAN COLLEAGUES. HE INDICATED INTENTION TO ACCENTUATE POSITIVE FEATURES OF US POSITION BOTH AT NEXT WEEK'S CABINET MEETING AND ALSO IN PUBLIC STATEMENTS. END SUMMARY

2. AT REQUEST OF GOI TRADE MINSITER RADIUS PRAWIRO, I CALLED UPON HIM JANUARY 17 TO PROVIDE EXPLANATIONS ABOUT US TRADE BILL. IN EXPLAINING ACT AND PROVIDING HIM WITH BACKGROUND DETAILS ON ITS PROVISIONS, I SAID I WAS AUTHORIZED TO INFORM HIM THAT US EXECUTIVE WILL SEEK TO MODIFY TRADE ACT PROHIBITION OF GSP TO OPEC MEMBERS. I ALSO ADVISED HIM THAT PASSAGE OF ACT WOULD NOT PREVENT TALKS WITH INDONESIA CONCERNING TRADE MATTERS.

3. MINISTER RADIUS EXPRESSED APPRECIATION FOR THESE EXPLANATIONS. HE DESCRIBED INDONESIAN SENSE OF PUZZLEMENT AND CONCERN OVER US ACTION ON GSP. HE NOTED THAT INDONESIA AS ASEAN MEMBER HAD ALREADY PARTICIPATED IN JOINT ASEAN DISCUSSIONS WITH BOTH EC AND JAPAN AND CITED RESULTING PROGRESS IN PROSPECTS FOR GSP BENEFITS FOR ASEAN NATIONS. HE EXPRESSED PERSONAL CONCERN THAT SOME INDONESIANS WERE SEEKING TO EXPLOIT US ACTION BY INTERPRETING IT AS ADVERSE INTENTIONS BY US TOWARD INDONESIA. HE WISHED TO UNDERSTAND US POSITION AND MAINTAIN OUR FREINDLY RELATIONS AND WAS RELIEVED TO LEARN OF US EXECUTIVE'S ATTITUDES AND INTENTIONS. HE ALSO STRESSED IMPORTANCE OF CRITERIA APPLIED TO OPEC EXCLUSION, CITING \$23 PER CAPITA NET BENEFIT FROM OIL AS ADDING TO BASIC PER CAPITA INCOME OF ABOUT \$100, STILL LEAVING INDONESIA AMONG POOREST NATIONS.

4. I ASSURED THE MINISTER THAT WE HAD AND WOULD CONTINUE EMPHASIZING THESE DISTINCTIONS TO WASHINGTON BUT ENCOURAGED HIS UNDERSTANDING OF DIFFICULTIES OF LIMITED OFFICIAL USE

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OVERCOMING PREOCCUPATIONS OF WASHINGTON OFFICIALS WITH OVERALL AID LEVEL AND APPORTIONMENT PROBLEMS. AS TO GSP I DESCRIBED DETAILED TERMS OF THE OPEC EXCLUSION AND INDICATED THAT THE ADMINISTRATION IS ALSO EXAMINING WHETHER IT POSSIBLE DIFFERENTIATE STATUS OF PARTICULAR OPEC MEMBERS. I REVIEWED EFFORTS WE HAVE MADE TO CONTINUE SUPPORT OF INDONESIA'S DEVELOPMENT PROGRAM INCLUDING GREATLY EXPANDED EXIMBANK ROLE. I ALSO

DESCRIBED OUT WILLINGNESS, SHOULD ASEAN MEMBERS SO
DESIRE, FOR US TO DISCUSS TRADE MATTERS WITH ASEAN
AS GROUP.

5. RADIUS BRIGHTENED VISABLY AT THIS POINT. HE
CONSIDERED THIS PARTICULARLY GOOD NEWS AND SAID HE
WOULD COMMEND THIS IDEA TO HIS ASEAN COLLEAGUES.
HE EMPHASIZED THAT HE IS SEEKING FORMULA TO AVOID
EXCITING PEOPLE OVER NEGATIVE IMPLICATIONS OF US
TRADE ACT, AND INDICATED INTENTION TO ACCENTUATE
THESE POSITIVE ASPECTS IN LIMITED CABINET MEETING
JAN 21 AND IN PRESS STATEMENT. HE ASKED IF HE MIGHT
RECOMMEND PUBLICLY IDEA OF ASEAN-US TALKS
ON US TRADE WITHOUT REFERENCE OUR APPROACH AND I AGREED
THIS WOULD NOT BE INAPPROPRIATE.

6. COMMENT. RADIUS GAVE EVERY EVIDENCE OF DESIRE
TO PUT BEST POSSIBLE FACE ON US TRADE ACT AND TRADE
RELATIONS. I WILL APPRECIATE PERIODIC REPORTS ON DEVELOPMENTS IN
TRADE ACT INTERPRETATION AND EMENDMENT SO THAT
WE CAN CONTINUE TO GIVE ENCOURAGEMENT TO THOSE IN GOI
DESIRING TO MAINTAIN AND IMPROVE TRADE RELATIONS.
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